



**** CERTIFIED MAIL ****
RETURN RECEIPT REQUESTED

February 22, 2007

Mr. John R. Baza, Director
Division of Oil, Gas and Mining
State of Utah, Department of Natural Resources
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Escalante Silver Mine, M/021/004

Dear Mr. Baza:

As requested, enclosed is the original, signed acceptance letter in which Hecla acknowledges the reduction in surety for the subject-referenced property. If you have any questions or comments regarding this matter, please feel free to contact me at telephone number 208.769.4148, or by e-mail arobison@hecla-mining.com.

Sincerely,

A handwritten signature in cursive script that reads "Ann Robison".

Ann Robison
Property and Contract Coordinator

Enclosure



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Addendum #1 to the Reclamation Contract

Hecla Mining Company, Escalante Silver Mine, M/021/004

February 1, 2007

Mr. Paul Glader, Manager Environmental Services
Hecla Mining Company
6500 Mineral Drive, Suite 200
Coeur D'alene, Idaho 83815-9408

A rider has been issued by Travelers Casualty and Surety Company of America in the amount of \$42,756.00 reducing the surety from \$389,300.00.

This letter serves as an acknowledgment and approval of the following:

- **SURETY and SURETY COMPANY:** Surety: Travelers Casualty and Surety Company of America;
- **SURETY AMOUNT AND BOND NUMBER:** 4 \$42,756.00, forty two thousand seven hundred and fifty six dollars;
- **DISTURBED AREA:** Any revisions after September 30, 1994 are identified in the Notice of Intention to Conduct Mining Operations as amended;
- **MAP:** Any revisions after September 30, 1994 are identified in the Notice of Intention to Conduct Mining Operations as amended;
- **ESCALATION YEAR:** 2010

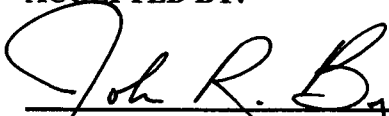
Nothing herein contained shall vary, alter, or extend any provision or condition of the Reclamation Contract.

To the extent any conflict exists between this addendum and the Reclamation Contract, these terms shall control.

Please acknowledge with your signature, make a copy, and return this letter with original signature to the Division.

The below signed, acknowledge and accept these revisions and incorporate them into the September 30, 1994 Reclamation Contract.

ACCEPTED BY:




John R. Baza, Director
Division of Oil, Gas and Mining

2/14/07
Date

2/21/07

Date



William Griffith, President
Hecla Mining Company Lewis E Walde, CFO